

STATE OF OREGON  
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES  
DIVISION OF FINANCIAL REGULATION

In the Matter of:

Case No. INS-22-0023

VELAPOINT LLC, a Foreign Limited  
Liability Company,

ORDER TO CEASE AND DESIST,  
FINAL ORDER ASSESSING CIVIL  
PENALTY, AND CONSENT TO  
ENTRY OF ORDER

Respondent.

THIS IS A FINAL ORDER

The Director of the Department of Consumer and Business Services for the State of Oregon (“Director”), acting in accordance with Oregon Revised Statutes (“ORS”) chapters 731, 732, 733, 734, 735, 737, 742, 743, 743A, 743B, 744, 746, 748 and 750 (“Insurance Code”), has conducted an investigation into the insurance related activities of Velapoint LLC (“Respondent”) and determined that Respondent engaged in activities constituting violations of the Insurance Code.

Respondent, without admitting or denying the Director’s findings of fact or conclusions of law, wishes to resolve and settle this matter with the Director.

Now, therefore, as evidenced by the authorized signature subscribed on this Order, Respondent hereby CONSENTS to entry of this Order upon the Director’s Findings of Fact and Conclusions of Law as stated hereinafter.

FINDINGS OF FACT

The Director FINDS that:

1. On September 10, 2007, the Division of Financial Regulation (“Division”) issued a resident business entity insurance producer license to Respondent. Respondent’s national producer number is 8966319 and its primary place of business is 1100 NE Compton Drive Suite 205, Hillsboro, OR 97006. Respondent is authorized to sell health, life, and property & casualty insurance in Oregon. As of December 2019, Respondent

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1 employed 126 producers.

2 2. Aaron Goddard (“Goddard”) has served as Respondent’s designated  
3 responsible licensed producer (“DRLP”) since July 8, 2019.

4 3. The Division has received 19 complaints against Respondent and/or its agents  
5 since 2011. In July 2019, the Division received a complaint alleging that Respondent was  
6 systemically engaged in unethical sales practices, including bundling, benefit  
7 misrepresentations, fraud, and discouraging consumers from purchasing Affordable Care  
8 Act (“ACA”)-compliant insurance. Shortly thereafter, the Division initiated an  
9 investigation which led to the following determinations.

10 **Beat Your Best Program**

11 4. From 2019 through 2021, Respondent operated a bonus program during the  
12 ACA open enrollment period.<sup>1</sup> This program, called “Beat Your Best” (“BYB”), awards  
13 points to individual insurance producers for each health insurance product they sell.  
14 Products include ACA plans, short-term medical (“STM”) plans,<sup>2</sup> and supplemental  
15 insurance plans.<sup>3</sup>

16 5. ACA plans, among other attributes, prohibit discrimination based on pre-  
17 existing conditions and/or gender, and also include essential health benefits that may be  
18 excluded from non-ACA plans.

19 6. In addition to ACA plans, Respondent sells a variety of STM and supplemental  
20 plans, including those offered by National General Insurance Company (“NG”).

21 7. Respondent and NG share the same parent company, National General  
22 Management Corporation.

23  
24 <sup>1</sup> During the open enrollment period, ACA-compliant health insurance is available to all consumers regardless  
of whether they had a qualifying life event.

25 <sup>2</sup> STMs are health insurance plans with limited durations, typically several months to a year. STMs are not  
required to offer essential health benefits covered by ACA plans, including benefits related to maternity,  
26 mental health, and pre-existing conditions.

<sup>3</sup> As of December 31, 2021, Respondent has terminated the operation of BYB in Oregon.

8. Under BYB, different products have different point values. For example, ACA plans are worth .7 points. STM and supplemental plans are divided into “NG” and “non-NG” categories, the 2019 points values for which are listed below.

	NG	NON-NG
STM	2.1 points	.9 points
Accident	.6 points	.4 points
Critical Illness	.8 points	.5 points
Dental	.6 points	.3 points
Hospitalization	2.2 points	.5 points
Term Life Insurance	2.0 points	1.0 point
Limited Medical	3.3 points	1.0 point

9. BYB points earned by producers convert into a variety of benefits, including cash bonuses, trips, gift cards, TVs, iPads, and gaming consoles. In addition, for each NG product sold producers earn an entry for weekly prize raffles.

10. Respondent distributed written materials to its producers in connection with BYB. The materials encouraged producers to sell insurance products in particular combination with each other in order to earn more points. For example, they recommended selling specific combinations with titles like “Pre-X Plan Combo”, “Healthy Plan Combo” and “Low Budget Plan Combo.” The materials noted that “If you sell the above combos for 40 selling days you will have 392 points and \$6800 on your cash card.”

11. The written materials included information on how much producers would be compensated for each NG plan sold. They also included BYB sales goals organized by carrier. Out of all of the available plans, NG plans had the highest sales goal at 18,000 applications. The next highest carrier goal was for 2,100 applications.

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1 12. Respondent paid over \$168,000 in bonuses for the 2019 BYB and over  
2 \$176,000 in bonuses for the 2020 BYB.

3 13. Over the course of its investigation, the Division identified a pattern of unethical  
4 behavior by numerous producers employed by Respondent in connection with BYB,  
5 including: bundling, omitting disclosures, failing to lead with ACA plans, selling  
6 supplemental plans beyond the scope of the consumer’s request, and pressuring tactics.

7 Examples of BYB Misconduct

8 14. During the 2020 BYB, producer Carylann Hendrix (“Hendrix”) spoke with a  
9 consumer who expressly stated she was operating on a tight budget and only wanted a  
10 major medical plan. Hendrix sold her an ACA major medical plan and six NG  
11 supplemental plans. The sale of the ACA plan alone would have earned Hendrix .7 points.  
12 The sale of this particular combination earned her 6.5 points and a \$95 cash card.

13 15. Hendrix was the second highest earner for the 2019 BYB, earning \$13,408 in  
14 cash bonuses along with two TVs and a cruise. For that period, she sold 25 ACA plans  
15 and 628 STM and supplemental plans combined. She was also the second highest earner  
16 for the 2020 BYB, earning \$16,214 in cash bonuses along with a gift card and \$4,000 travel  
17 bonus. For that period, she sold 42 ACA plans and 672 STM and supplemental plans  
18 combined.

19 16. During the 2019 BYB, producer Charles Udoh (“Udoh”) spoke with a Nevada  
20 consumer seeking a medical plan. Udoh told the consumer they couldn’t go over ACA  
21 plans because “the system was down” but it was “okay” because alternative health plans  
22 were cheaper than ACA plans in Nevada. He proceeded to sell the consumer a STM plan  
23 with numerous supplemental plans.

24 17. Udoh did not complete the enrollment confirmation process with the Nevada  
25 consumer. He did not list each policy sold, nor the cost of each individual policy. He did  
26 not review the application with the consumer, nor did he read a disclaimer regarding

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1 limitations and exclusions which may apply to non-ACA coverage. Udoh earned 2.4 BYB  
2 points and a \$35 cash card for this transaction. For the 2019 BYB he earned \$1,811 in cash  
3 and a TV.

4 18. During the 2019 BYB, producer Jesse Mays (“Mays”) spoke with a consumer  
5 seeking a medical plan and prescription coverage. Mays sold her an ACA plan, three NG  
6 supplemental plans, and a supplemental dental plan. He told the consumer the plans were  
7 more cost effective when combined.<sup>4</sup> Mays earned 2.7 BYB points and a \$40 cash card  
8 for this transaction.

9 19. Mays was the top earner for the 2019 BYB, earning \$16,224 in cash bonuses  
10 along with speakers and a trip to Vietnam. For that period, he sold 104 ACA plans and  
11 697 STM and supplemental plans combined. He was also the top earner for the 2020 BYB,  
12 earning \$16,158 in cash bonuses along with an additional \$4,000 for travel. For that period,  
13 he sold 89 ACA plans and 656 STM and supplemental plans combined.

14 20. During the 2019 BYB, producer Jeremy Trautman (“Trautman”) spoke with a  
15 consumer seeking medical coverage. Trautman offered him a “bundle” that included an  
16 NG STM plan and at least four supplemental plans. The consumer stated he wanted to  
17 think it over but Trautman discouraged this, stating that Respondent was “super slammed”  
18 and that he had unanswered voicemails to respond to and only two weeks to enroll the  
19 consumer. The consumer enrolled in the recommended coverage. Trautman earned 6.3  
20 BYB points and an \$85 cash card for this transaction.

21 21. Trautman was the third highest earner for the 2019 BYB, earning \$9,780 in cash  
22 bonuses along with a trip to Mexico. For that period, he sold 45 ACA plans and 500 STM  
23 and supplemental plans combined. He was the fourth highest earner for the 2020 BYB,  
24 earning \$12,264 in cash bonuses. For that period, he sold 13 ACA plans and 440 STM and  
25 supplemental plans combined.

26 <sup>4</sup> Discounts are rarely available when combining policies.



1       22.     During the 2019 BYB, producer Adam Damrill (“Damrill”) sold a consumer a  
2 STM plan without discussing ACA plans with him. Damrill told the consumer, ““This is  
3 not Obamacare insurance, it’s a private insurance plan which is better for you anyway.”  
4 Damrill later admitted to telling the consumer the STM plan was better “just to make them  
5 feel good about what they were purchasing.”<sup>5</sup>

6       23.     Damrill was the sixth highest earner for the 2019 BYB, earning \$6,6875.20 in  
7 cash bonuses. For that period, he sold 79 ACA plans and 462 STM and supplemental plans  
8 combined. For the 2020 BYB, Damrill sold 39 ACA plans and 337 STM and supplemental  
9 plans combined.

10 **Disciplinary Problems**

11       24.     Respondent conducts Quality Assurance Audits (“Audits”) of each of its  
12 producers to evaluate them on product and compliance criteria.<sup>6</sup> Respondent conducts two  
13 to three Audits a month on each producer.

14       25.     Respondent utilizes a Performance Improvement Plan (“PIP”) process,  
15 whereby discipline is supposed to proceed along the following steps:

- 16           A.    Verbal Warning<sup>7</sup>
- 17           B.    Written Warning
- 18           C.    Probation
- 19           D.    Termination

20       26.     In early 2020, the Division selected twenty producers employed by Respondent  
21 and requested disciplinary information for each of them. Of the twenty, seventeen had  
22 been placed on PIPs in the past year. The Division focused its investigative efforts on a  
23

24 <sup>5</sup> See Division case number INS-21-0009 against Damrill.

25 <sup>6</sup> Compliance criteria includes, but is not limited to, getting proper HIPAA consent, reading all application  
26 questions verbatim, determining whether the customer is eligible for a Special Enrollment Period, and  
discussing ACA plan options with the customer.

<sup>7</sup> Respondent does not require verbal warnings to be documented with Human Resources, so those referenced  
in this order are those which were documented.

1 handful of Respondent’s producers, including those that had excelled in BYB.

2 Damrill Disciplinary Actions

3 27. Between January 2019 and January 2021, Damrill failed twenty-seven of fifty-  
4 seven (43.86%) of his Audits. .

5 28. Between January 2019 and January 2021, Damrill received fifteen disciplinary  
6 warnings, none of which resulted in termination.<sup>8</sup> His disciplinary actions include the  
7 following:

8 A. On January 31, 2019, he received a verbal warning for failing to obtain  
9 HIPAA consent from a 19-year old applicant before allowing her father to submit  
10 an insurance application on her behalf. In addition, he omitted several medical  
11 conditions and sections of questions from the eligibility questions. He also gave  
12 inaccurate information regarding a health plan, failed to pause the recording while  
13 the applicant’s father provided credit card information, and failed to mention vision  
14 benefits associated with the applicable policy.

15 B. On April 3, 2019, he received a written warning for “unacceptable work  
16 performance” stemming from two sales calls in which he gave inaccurate  
17 information regarding a health plan, omitted required disclaimers, and failed to  
18 obtain HIPAA consent.

19 C. On June 5, 2019, he was placed on probation for “unacceptable work  
20 performance” stemming from two sales calls in which he failed to ask all required  
21 underwriting questions, failed to disclose all applicable co-pays, co-insurance costs  
22 and deductibles, failed to disclose a six-month waiting period for basic services,  
23 and listed the wrong beneficiary on a policy.

24 D. On June 6, 2019, he received a verbal warning for poor attendance and  
25 excessive tardiness.

26 <sup>8</sup> On or around April 29, 2021, Respondent terminated Damrill’s employment.





1 E. On August 16, 2019, he received a written warning for “call  
2 unprofessionalism/unacceptable work performance” for abruptly hanging up on a  
3 consumer.

4 F. On August 19, 2019, he received a written warning for poor attendance.

5 G. On September 1, 2019, he received a verbal warning for providing  
6 “materially inaccurate information” to a consumer.

7 H. In January 2020, he received a verbal warning for failing a January 2020  
8 Audit.

9 I. On April 8, 2020, he received a verbal warning for failing both March  
10 2020 Audits.

11 J. On April 15, 2020, he received a written warning for “unacceptable  
12 work performance” for selling a consumer a plan for which they were not eligible  
13 due to a medically-disqualifying condition that had been disclosed.

14 K. On June 11, 2020, he received a verbal warning for failing to refer to  
15 every policy sold as a “policy, product, or plan.”

16 L. On June 29, 2020, he received a verbal warning for failing to read the  
17 Enrollment Confirmation Statement (“ECS”) verbatim during a sales call.

18 M. On July 16, 2020, he received a verbal warning for failing to provide a  
19 customer with a sufficient summary of policy benefits.

20 N. On August 6, 2020, he was placed on probation for failing to read health  
21 eligibility questions verbatim and/or in their entirety during a sales call.

22 O. On January 8, 2021, he received a verbal warning for failing to provide  
23 accurate premium and tax credit information during a sales call.

24 29. On March 23, 2020, Respondent incorrectly claimed Damrill had no issues  
25 following the written warning described in Paragraph 28(E). In fact, Respondent failed to  
26 identify the disciplinary items addressed in Paragraphs 28(G) – (I).





1 Udoh Disciplinary Actions

2 30. Between January 2019 and February 2021, Udoh failed thirty-three of forty-six  
3 (71.74%) of his Audits, including every Audit between April 2019 and mid-August 2019.

4 31. On June 5, 2020, Respondent incorrectly told the Division that Udoh had failed  
5 two 2020 Audits. In fact, he had failed at least seven 2020 Audits by that time.

6 32. Despite his thirty-three failed audits, Udoh only received two verbal warnings  
7 and one written warning during this period. Rather than following the PIP process  
8 described in Paragraph 25 above, Respondent elected to give Udoh a series of informal  
9 “coachings.” These coachings addressed a variety of misbehaviors, including: failing to  
10 read the ECS; failing to disclose premiums on the ECS; failing to read mandatory health  
11 questions and wellness disclosures verbatim; failing to state correct premiums for insurance  
12 products; failing to read the ACA disclosure; and failing to disclose the premium tax credit  
13 in the ECS.

14 33. Division staff listened to several of Udoh’s calls on which the Audits were  
15 based and identified additional misbehaviors, including: failing to ask all required  
16 application questions; failing to check whether consumers qualified for a Special  
17 Enrollment Period (“SEP”) for ACA plans; and discouraging consumers from purchasing  
18 ACA plans.

19 34. On or around February 4, 2021, Respondent terminated Udoh’s employment.  
20 The termination was not due to any of the foregoing issues, but Udoh’s failure to meet sales  
21 production goals.

22 Trautman Disciplinary Actions

23 35. Between January 2019 and February 2021, Trautman failed twenty-five of fifty-  
24 five (45.45%) of his Audits.

25 36. Trautman’s disciplinary actions include the following:

26 A. On January 30, 2019, he received a verbal warning for failing to state



1 individual premium prices in the ECS.

2 B. On March 6, 2019, he received a written warning for providing  
3 inaccurate and insufficient information on a supplemental dental plan to a  
4 consumer.

5 C. On September 12, 2019, he received an unspecified verbal warning.

6 D. On December 30, 2019, he received a coaching for two unspecified  
7 Audit fails.

8 E. On March 2, 2020, he received a written warning for the disciplinary  
9 actions described in Paragraph 36(C) – (D) and a February Audit fail in which he  
10 bundled the premium costs of three NG plans and omitted the original price of a  
11 plan, amongst other issues.

12 F. In November 2020, he received an unspecified verbal warning.

13 37. On March 23, 2020, Respondent claimed Trautman had no issues following the  
14 written warning described in Paragraph 36(B). In fact, Respondent failed to identify the  
15 disciplinary items addressed in Paragraphs 36(C) – (E).

16 38. Trautman failed five Audits between his March 2020 written warning and  
17 November 2020 verbal warning, none of which resulted in disciplinary action.

18 Mays Disciplinary Actions

19 39. Between January 2019 and February 2021, Mays failed twenty-five of fifty-two  
20 (48.07%) of his Audits.

21 40. Mays' disciplinary actions include the following:

22 A. In December 2019, he received a “detailed coaching” for a compliance  
23 fail.

24 B. On January 20, 2020, he received a verbal warning for failing to state  
25 the carrier's name for a plan sold during the ECS.

26 C. On April 1, 2020, he received a verbal warning for failing to state the

1 carrier's name for a plan sold during the ECS.

2 D. On April 13, 2020, he received a coaching for failing to disclose a Life  
3 Association membership and \$35 fee to a consumer during the ECS.

4 E. On July 3, 2020, he received a coaching for failing to ask eligibility  
5 questions and read disclosures.

6 F. On July 13, 2020, he received a written warning for the disciplinary  
7 actions described in Paragraph 40(C) – (E) and a recent Audit fail for failing to  
8 disclose a Life Association membership during the ECS.

9 41. Mays failed four Audits following his July 2020 written warning. None resulted  
10 in disciplinary action. Mays quit of his own volition in May 2021.

11 Darling Disciplinary Actions

12 42. Between January 2019 and July 2020, producer Marilyn Darling (“Darling”)  
13 failed eighteen of forty (45%) of her Audits.

14 43. During the foregoing period, Darling received three verbal warnings and two  
15 written warnings for, amongst other things, failing to provide sufficient plan explanations  
16 during the ECS, failing to read the ECS verbatim, and failing to read anti-fraud notices in  
17 their entirety.

18 Additional Disciplinary Actions

19 44. In March 2021, the Division requested additional disciplinary information on  
20 the remaining top-selling BYB producers. Given the length and depth of its investigation,  
21 the Division was unable to expend resources to perform comprehensive reviews of each of  
22 these files, or the files of Respondent's remaining producers, but was able to ascertain the  
23 following:

24 A. Producer Joseph Little (“Little”) incurred six coachings and disciplinary  
25 actions from April 2020 through March 2021 for conduct which includes: enrolling  
26 consumers in plans they were ineligible for; telling consumers they were enrolled





1 in plans they were not actually enrolled in; and failing to read required medical  
2 questions. During the 2019 BYB he sold 92 ACA plans and 408 STM and  
3 supplemental plans combined. He was Respondent’s fourth-highest earner for that  
4 year, earning \$8,899 in cash rewards, a Yeti cooler and a Nintendo Switch.

5 B. Producer Fawn Alfaro (“Alfaro”) incurred eight coachings and  
6 disciplinary actions from June 2020 through March 2021.<sup>9</sup> During the 2019 BYB  
7 she sold 46 ACA plans and 274 STM and supplemental plans combined. During  
8 the 2020 BYB she sold 21 ACA plans and 304 STM and supplemental plans  
9 combined.

10 C. Producer Andrew Ferebee incurred seven coachings and disciplinary  
11 actions from August 2019 through April 2021. During the 2019 BYB he sold 12  
12 ACA plans and 333 STM and supplemental plans combined. During the 2020 BYB  
13 he sold 0 ACA plans and 161 STM and supplemental plans combined.

14 D. Producer Taj Holt incurred five coachings and disciplinary actions from  
15 October 2019 through March 2021. During the 2019 BYB he sold 47 ACA plans  
16 and 340 STM and supplemental plans combined, earning a TV. During the 2020  
17 BYB he sold 40 ACA plans and 285 STM and supplemental plans combined.

18 E. Producer Julie Mitchell incurred six coachings and disciplinary actions  
19 from April 2020 through March 2021, including at least four instances of failing to  
20 disclose premiums or tax credits. During the 2019 BYB she sold 84 ACA plans  
21 and 222 STM and supplemental plans combined. During the 2020 BYB she sold  
22 79 ACA plans and 288 STM and supplemental plans combined.

### 23 CONCLUSIONS OF LAW

24 The Director CONCLUDES that:

25 45. Respondent has used coercive practices and demonstrated untrustworthiness in

26 <sup>9</sup> Alfaro’s employment with Respondent terminated in April 2021.



1 the conduct of its business, in violation of ORS 744.074(1)(h), for each year in which it  
2 has operated the BYB program, for the following reasons:

3 A. Respondent, through the manner in which it allocates points and  
4 rewards for BYB, incentivizes its producers to prioritize the sale of STM and  
5 supplemental plans over ACA plans, which offer benefits and protections not  
6 required by other plans.

7 B. In particular, Respondent incentivizes producers to prioritize the sale of  
8 NG plans over all others. This has created a conflict of interest that places the  
9 financial interests of Respondent and its producers above the needs and interests of  
10 Respondent's consumer clients.

11 C. This is further evidenced by the written materials Respondent  
12 disseminates to its producers in connection with BYB, as described in Paragraphs  
13 (10) – (11). Producers are encouraged to sell insurance products, and NG products  
14 in particular, to consumers in specific combinations in order to maximize their  
15 personal benefits, without sufficient regard to consumer needs. Examples of this  
16 in practice are described in Paragraphs (14), (16) – (18), and (20). Respondent also  
17 set sales goals for NG which were approximately nine times higher than for any  
18 other carrier, as described in Paragraph (11).

19 D. Finally, this manifested itself in numerous producers employed by  
20 Respondent selling a disproportionately large number of STM and supplemental  
21 plans over ACA plans, as described in Paragraphs (15), (19), (21), (23), and (44).

22 46. Respondent has demonstrated incompetence in the conduct of its business, in  
23 violation of ORS 744.074(1)(h), by failing to adequately administer its internal discipline  
24 program. In particular:

25 A. Respondent habitually deviates from the PIP process it had established  
26 for discipline. Disciplinary warnings are meted out inconsistently and with no clear



1 progression. Producers are allowed to accrue significant amounts of warnings with  
2 no clear or predictable consequences, as described in Paragraphs (28), (32), (34),  
3 (36), (40), and (43) – (44).

4 B. Similarly, Respondent has failed to adequately administer its Audit  
5 program. Damrill, Udoh, Trautman, Mays, and Darling all failed at least 43% of  
6 their Audits for the periods at issue. Again, there was inconsistent and insufficient  
7 consequence for these deficiencies. As described in Paragraphs (38) and (41),  
8 producers that had recently received written warnings were allowed to fail  
9 numerous Audits with no disciplinary consequence whatsoever.

10 C. Respondent has failed to adequately track the administration of its own  
11 disciplinary program, repeatedly providing the Division with incorrect information  
12 regarding the disciplinary history of its own producers, as described in Paragraphs  
13 (29), (31) and (37).

14 47. Because the Director has reason to believe that Respondent has been engaged  
15 in violations of the Insurance Code, the Director may issue an order to Respondent to cease  
16 and desist, under ORS 731.252(1).

17 48. The Director may impose a civil penalty of up \$10,000 *per violation* upon any  
18 person who violates a provision of the Insurance Code, under ORS 731.988(1).

#### 19 ORDERS

20 The Director issues the following ORDERS:

21 49. As authorized by ORS 731.252(1), the Director ORDERS Respondent to  
22 CEASE AND DESIST from violating ORS 744.074(1)(h).

23 50. Based upon the foregoing and in accordance with ORS 731.988(1), the Director  
24 ORDERS Respondent pay a CIVIL PENALTY of \$40,000 as follows:

25 A. \$30,000 for operating the BYB program from 2019 – 2021, in violation  
26 of ORS 744.074(1)(h), as set forth in Paragraph (45).



1           B.    \$10,000 for failing to adequately administer its internal discipline  
2           program, in violation of ORS 744.074(1)(h), as described in Paragraph (46).

3           51.    The \$40,000 CIVIL PENALTY assessed above is due and payable at the time  
4           this Order is returned to the Division.

5           52.    Respondent agrees to pay for a third-party auditor to conduct a forensic audit  
6           of its business for the purpose of evaluating its current compliance with the Insurance Code,  
7           along with all applicable Oregon Administrative Rules and formal regulatory guidance,  
8           and developing a corrective action plan to address any deficient administrative practices.  
9           Compliance will include Respondent adequately training and supervising its insurance  
10          producers, as well as creating, implementing and monitoring internal processes to ensure  
11          its producers are selling products that meet the specific needs of its customers. Producers  
12          are expected to clearly and comprehensively describe the products they sell prior to  
13          purchase, including, but not limited to, product exclusions, limitations, and/or waiting  
14          periods.

15          53.    The Director will select the auditor and Respondent will fully cooperate with  
16          the audit. Cooperation will include, but not be limited to:

17                A.    Granting the auditor access to any and all relevant<sup>10</sup> systems and  
18                documents they request within the scope of the audit as set forth in Paragraph (52);

19                B.    Allowing the auditor to interview current Respondent officers,  
20                employees, producers, and others as they deem appropriate;

21                C.    Agreeing not to attempt to prevent the auditor from interviewing former  
22                Respondent officers, employees, producers, and others as they deem appropriate;  
23                and

24                D.    The Respondent and Director will agree to a reasonable time frame to  
25                conclude the audit. The parties agree that the audit, including issuance of the final

26           \_\_\_\_\_ <sup>10</sup> The Director will ultimately determine whether a system or document is relevant.

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report, will conclude within twelve months from the effective date of this Order,  
unless the auditor determines more time is necessary.

54. Respondent and the Director will each have access to reports of the auditor's  
findings.

55. This Order is binding upon Respondent's successors and assigns.

SO ORDERED this 20th day of October, 2022.

ANDREW R. STOLFI, Director  
Department of Consumer and Business Services

/s/ Dorothy Bean  
Dorothy Bean, Chief of Enforcement  
Division of Financial Regulation

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CONSENT TO ENTRY OF ORDER

I, Aaron Goddard, state that I am an officer of Velapoint LLC and I am authorized to act on its behalf. I have read the foregoing Consent Order, and I know and fully understand the contents hereof. I have been advised of the right to a hearing and of the right to be represented by counsel in this matter. Velapoint LLC voluntarily and without any force or duress consents to the entry of this Consent Order expressly waiving any right to a hearing in this matter. Velapoint LLC understands that the Director reserves the right to take further actions to enforce this Consent Order or to take appropriate action upon discovery of other violations of the Insurance Code. Velapoint LLC will fully comply with the terms and conditions stated herein.

Velapoint LLC understands that this Consent Order is a public document.

/s/ Aaron Goddard  
Signature  
Aaron Goddard  
Printed name  
President  
Office held

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ACKNOWLEDGMENT

There appeared before me this 10<sup>th</sup> day of October, 2022, Aaron Goddard, who was first duly sworn on oath, and stated that they were and are an officer of Velapoint LLC and that they are authorized and empowered to sign this Consent to Entry of Order on behalf of Velapoint LLC and to bind Velapoint LLC to the terms hereof.

/s/ Catherine I. DePetrillo  
Signature of Notary Public

Division of Financial Regulation  
Labor and Industries Building  
350 Winter Street NE, Suite 410  
Salem, OR 97301-3881  
Telephone: (503) 378-4387

